

*The Owl Club*

*Financial statements for the year ended  
31 December 2023*

# **THE OWL CLUB**

## ***Financial statements*** *for the year ended 31 December 2023*

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### **Club information**

Committee	Geoffrey Ashmead (President) Ron Duff (Senior Vice-President) Bill Coetzee (Junior Vice-President) Hugh Amoore (Secretary) Richard Morris (Treasurer) Mike Bruton (Imm. Past President) Nigel Gwynne-Evans Peter Hyslop Mike James David Little Paul Murray Peter Sutherland
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Auditors	PricewaterhouseCoopers Inc 5 Silo Square V&A Waterfront P O Box 2799 Cape Town, 8002
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Bankers	Standard Bank
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Preparer of the financial statements	Richard Morris
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# THE OWL CLUB



## REPORT OF THE FISCAL SHRIKE FOR THE YEAR ENDED 31 DECEMBER 2023

Fellow Owls

The audited Annual Financial Statements are attached.

### RESULTS

The financial results for year reflect a net surplus of R536,000. This arises from the substantial, long anticipated and most generous bequest of R500,000 from the late Owl Geoffrey Wittenberg, realised investment gains of R15,000 and an operating surplus of R21,000. This compares to a net surplus of R18,000 for the prior year arising from realised gains of R28,000 reduced by an operating deficit of R2,000 and R8,000 net usage of the moulting fund.

### Dinners

There was a surplus of R32,000 on dinners compared to a deficit of R13,000 in the prior year. The surplus arises from the dinner price increase from R290 to R320 from January 2023 and the notional grossing up of the dinner proceeds to include honoraria provided in the form of free dinners as explained below. Music and incidental meeting costs increased to R53,000 compared to R48,000 for the 2022 year as the Chorister Robin continued to engage top drawer musicians.

### Administration

There was a deficit of R11,000 on administration compared to a surplus of R11,000 for the prior year. This swing was mainly due to a decision of the committee to reflect the cost of free dinners provided to certain committee members and Owl Tony Grogan as honoraria with the dinner proceeds grossed up by the equal and opposite amount of R14,000. The Committee, those affected having recused, has accepted a proposal by the President that the privilege of free dinners hitherto enjoyed by two officers and two committee members will fall away in 2024 and future years. Otherwise, costs were in line with those of the prior year and within budget.

### Support for the Club Sweep, the Moulting Fund and Ons Plek

Many owls volunteered contributions to the Club Sweep R18,000 and the Moulting Fund R4,000. Individual owl philanthropy in December raised R7,600 that was duly passed on, in 2023, to Ons Plek, the charity focussed on uplifting girl street children. The club and the charity we chose to support highly appreciate this spirit of generosity.

### Capital inflows and realised investment gains

The bequest of R500,000 from the Estate of the late Owl Geoffrey Wittenberg was received on 3 May 2023. These funds enabled the acquisition of a second-hand Kawai grand piano at a cost of R350,000 in September

2023. This replaced the former Bluthner grand piano that had been bought in 1960. The Bluthner was disposed of by auction and realised net proceeds of R22,000. The balance of the funds from the Wittenberg bequest are invested in the Coronation Strategic Income Fund and the Coronation Resources Fund and the additional income that will flow from this will assist to subsidise meeting costs.

In December 2023 an investment gain of R11,000 was realised on a switch of R25,000 from the Coronation Capital Plus Fund to the Coronation Industrial Fund. A gain of R4,000 was recognised in August 2023 on transfer of the balance of R84,000 on the Coronation Money Market Fund to the Coronation Resources Fund.

## **BALANCE SHEET**

At 31 December 2023 the total unrealised investment gains amounted to R1,086,000 compared with R644,000 at the prior year end. The unrealised gains are not reflected on balance sheet as the investments are carried at cost rather than at market value.

During the year the club acquired a further handheld wireless microphone and receiver for use with the sound system, at a cost of R7,000.

## **OUTLOOK FOR 2024**

The annual subscription for 2024 is R360. This is unchanged from that of 2023 despite ongoing inflation both locally and globally.

The 2023 Owl dinner price of R320 continues but may require to be increased during 2024 as and when Kelvin increases food costs billed to the club and because the club's wine costs are likewise increasing.

The main subsidy available for set off against dinner costs continues to be the investment income that is distributed from the club's collective investments with Coronation. These investments have accumulated over the years from bequests and donations from benefactors of the club such as, the late Owl Michael Fisher and more recently the late Owls Taffy Lloyd, Michael Keall, and Geoffrey Wittenberg.

When settling their annual subscriptions, many owls volunteer generous purchases of tickets for the Club Sweep quarterly draw. It is hoped that this support will once again be available to defray dinner, wine, music and other incidental meeting costs.

The club continues in a sound financial position.

## **APPRECIATION**

I am most grateful for the continued support of:

- The Secretary Bird for advance advice of dinner attendance details and refinements thereto.
- Committee members
- Owl club members who settle their subscriptions and dinner dues promptly by EFT
- Verwey Wiese and PricewaterhouseCoopers as the annual audit is on an honorary basis.

Richard Morris

Fiscal Shrike



16 January 2024



## *Independent auditor's report*

To the Committee of The Owl Club

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### *Our opinion*

In our opinion, the financial statements of The Owl Club (the Club) for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements and the requirements of the Companies Act of South Africa.

### **What we have audited**

The Owl Club's financial statements set out on pages 7 to 9 comprise:

- the balance sheet as at 31 December 2023;
  - the income statement for the year then ended;
  - the notes to the financial statements, which include a summary of significant accounting policies.
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### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Club in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

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### *Emphasis of Matter – Basis of Accounting*

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the Club's own accounting policies to satisfy the financial information needs of the club. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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### *Other information*

The committee is responsible for the other information. The other information comprises the information included in the document titled "The Owl Club Financial statements for the year ended 31



December 2023". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the committee for the financial statements*

The committee is responsible for the preparation of these financial statements in accordance with the basis of accounting described in note 1 to the financial statements and the requirements of the Companies Act of South Africa, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Club.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.

Director: Verwey Wiese

Registered Auditor

Cape Town

16 January 2024

# The Owl Club

## Balance sheet

at 31 December 2023

	Notes	2023 R'000	2022 R'000
<b>Accumulated operating surplus</b>		<b>60</b>	<b>39</b>
At start of year		39	41
Operating surplus/(deficit) for the year		21	(2)
<b>Capital Funds</b>		<b>2,478</b>	<b>1,963</b>
Accumulated capital inflows		1,384	884
Accumulated investment gains - realised		1,094	1,079
Moulting fund - accumulated inflows net of usage		51	51
<b>Total funds</b>		<b>2,589</b>	<b>2,053</b>
<b>Represented by:</b>			
<b>Fixed assets</b>		<b>376</b>	<b>36</b>
At valuation as at 31/12/1998 plus additions at cost		385	63
Less accumulated depreciation		(9)	(27)
<b>Investments</b>		<b>2,220</b>	<b>2,054</b>
<b>Coronation Collective Investment Schemes</b>			
Capital Plus Fund 19,697 (2022 20,194) units at cost		558	572
Market value R 1,022 k (2022 R 931 k)			
Industrial Fund 608 (2022 507) units at cost		125	100
Market value R152k (2022 R 110 k)			
Global Opportunities Equity ZAR Feeder Fund 6,026 (2022 6,026) units at cost		650	650
Market value R 1,203 k (2022 R903 k)			
Strategic Income Fund 50,352 (2022 43,592) units at cost		752	652
Market value R 792 k (2022 R 673 k)			
Resources Fund 483 units at cost		135	-
Market value R143k			
Money market		-	80
<b>Current assets/ (liabilities)</b>		<b>(7)</b>	<b>(37)</b>
Stocks at cost (owl wear and wine)		9	1
Stocks at cost (gold and silver owls)		3	3
Accrued investment income		25	19
Prepaid insurance		3	3
Bank balances		15	8
Advance payments by members		(18)	(29)
Creditors and accruals		(44)	(42)
		<b>2,589</b>	<b>2,053</b>



## The Owl Club

### Income statement

for the year ended 31 December 2023

	2023 R'000	2022 R'000
<b>Dinners</b>	<b>32</b>	<b>(13)</b>
Dinner contributions from members	239	202
Club sweep and other income	19	23
Investment returns	105	78
Cost of food	(251)	(239)
Cost of wine	(27)	(29)
Music and other meeting costs	(53)	(48)
<b>Administration</b>	<b>(11)</b>	<b>11</b>
Subscription income	63	61
Entrance fees	4	4
Bank charges	(2)	(2)
Equipment costs	(6)	-
Honoraria	(58)	(42)
Insurance	(3)	(4)
Printing, stationery and internet related costs	(9)	(6)
<b>Operating surplus/(deficit)</b>	<b>21</b>	<b>(2)</b>
Investment surplus - realised	15	28
Donations received Moulting fund - net	-	(8)
Donations and bequests received	500	-
<b>Net surplus</b>	<b>536</b>	<b>18</b>

## *The Owl Club*

### *Notes to the financial statements*

*for the year ended 31 December 2023*

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**1. Principal accounting policies**

The following are the principal accounting policies used by the club, which are consistent with those of the previous period.

**1.1 Purpose and basis of preparation of financial statements**

The financial statements are prepared on the historical cost basis and the accrual basis.

**2. Investments**

Investments are initially recognised at cost and subsequently measured at cost.

**3. Cash and cash equivalents**

Cash and deposits comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at cost.

**4. Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Assets items with a cost less than R10,000 are expensed at the discretion of the committee.

Fixed assets are disclosed at the valuation determined in 1998.

Depreciation is calculated on the straight line method at R2,000 per year.

**5. Stock**

Stock is initially recognised at cost and subsequently measured at the lower of cost or net realisable value.

**6. Revenue**

Subscription income and entrance fees are recognised when received.  
Dinner contributions are recognised once attendance is confirmed.  
Other income (donations, bequests etc.) is recognised when received.

**7. Investment income**

Investment income is recognised when the club has an irrevocable right to receive payment.

**8. Cash flow Statement**

A Cash flow Statement is not disclosed as it is deemed of little value due to the size of the entity and the nature and volume of transactions are clear from the Income Statement.